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2002 OCT 31 A 10:02

CHIEF CLERK'S OFFICE

MIDAMERICAN ENERGY COMPANY

Request pursuant to Section 6-102 of
the Public Utilities Act for an order
authorizing the issuance and sale of
\$191,390,000 aggregate principal
amount of New Medium-Term Notes

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Docket No. 02-0682

**STAFF'S RESPONSE TO MIDAMERICAN ENERGY COMPANY'S
INFORMATIONAL STATEMENT**

Now comes the Staff of the Illinois Commerce Commission ("Staff") in response to MidAmerican Energy Company's ("Company") Informational Statement. On October 28, 2002, the Company filed its Amended Informational Statement in this Docket pursuant to Section 6-102(d) of the Illinois Public Utilities Act ("The Act"). This statement explains the Company's proposed issuance and sale of \$191,390,000 aggregate principal amount of New Medium-Term Notes for purposes of refunding outstanding issues of stock, bonds, notes, or other evidences of indebtedness. The Company requested that the Commission issue an order, pursuant to Section 6-102(d) of The Act, finding that the proposed issuance and sale is not subject to Section 6-102(b) of The Act, and authorizing the issuance and sale.

Staff has reviewed the Company's Informational Statement and Article VI of The Act and states as follows:

1. The Company's proposal is subject to Section 6-101, which requires the Commission to provide proper identification numbers on the proposed New Medium-Term Notes when issued.
2. The Company's proposal is subject to Section 6-102(a), which requires a Commission order authorizing the proposed issuance and sale of New Medium-Term Notes. The order must also state the amount of the proceeds and purpose(s) to which they are to be applied, and that such application(s) is reasonably required.
3. The Company's proposal is not subject to Section 6-102(b) since 100% of the proceeds will be used for the purpose of refunding outstanding issues of stock, bonds, notes, or other evidences of indebtedness.
4. The Company's proposal is not subject to Section 6-102(c).
5. The Company's proposal is subject to Section 6-102(d), which requires the Informational Statement filed by the Company and a Commission order in conformance with Section 6-102(a).
6. The Company's proposal is not subject to Section 6-102(e) and Section 6-102(f).
7. The Company's proposal is not subject to Section 6-103 through Section 6-107.
8. The Company's proposal is subject to Section 6-108. Since \$75,070,000 of the proceeds will be used for the purpose of refunding outstanding issues of stock, bonds, notes, or other evidences of indebtedness issued with the consent of the Commission, no fee shall be required for this portion of the proposed issuance.

However, MidAmerican contemplates using \$116,320,000 of the proceeds for the purpose of refunding outstanding debt that was issued without the consent of the Commission. Staff's calculation of the ICC fee is \$22,775.

9. The Company's proposal is also subject to 83 Illinois Administrative Code Part 240, which requires petitioner to file reports relative to the issuance and sale of the New Medium-Term Notes and application of the proceeds, unless the Commission Order provides otherwise (Section 240.30).
10. The Company's currently outstanding stock, bonds, notes, or other evidences of indebtedness to be retired from the proceeds of the proposed issuance have interest rates ranging from 5.75% to 7.7%.
11. The Company's New Medium-Term Notes (in one or two series) are expected to have a term to maturity from 2 to 30 years from the date of issuance.
12. The exact interest rate associated with the New Medium-Term Notes will be a factor of the term of the issuance and market conditions at the time of sale. As of October 20, 2002, the interest rate available to the Company for New Medium-Term Notes with 2 to 30 year maturity is between 2.5% and 8.5%.

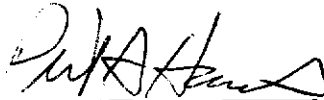
FURTHER, Staff has reviewed supplemental information provided by the Company in response to Staff's data requests and states as follows:

1. The Company will use \$75,070,000 of the proceeds from the sale of the New Medium-Term Notes to refund outstanding indebtedness on which a fee has previously been paid as follows:

| <u>Coupon (%)</u> | <u>Principal Amount</u> | <u>Security</u> | <u>ICC Docket No.</u> |
|-------------------|-------------------------|-----------------|-----------------------|
| 6.95 | 12,500,000 | Mortgage Bonds | 93-0238 |
| 7.45 | 6,940,000 | Mortgage Bonds | 92-0441 |
| 7.70 | 55,630,000 | Mortgage Bonds | 91-0051 |

WHEREFORE, the Staff of the Illinois Commerce Commission recommends that the Commission issue an Order, pursuant to Section 6-102(d) of The Act, authorizing the transactions described in the Company's Informational Statement and identifying the applicable provisions of The Act and Administrative Code.

Respectfully submitted,

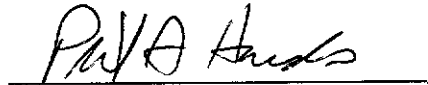


Phil Hardas, Financial Analyst
Finance Department
Illinois Commerce Commission
527 East Capitol Avenue
Springfield IL 62794-9280

October 31, 2002

CERTIFICATE OF SERVICE

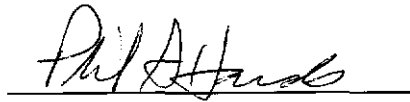
I, Phil Hardas, Financial Analyst of the Finance Department, Financial Analysis Division, Illinois Commerce Commission, do hereby certify that on the 31st day of October, 2002, the Finance Department has delivered for filing with the Clerk of the Illinois Commerce Commission, the original and two copies of the attached Response to MidAmerican Energy Company's Informational Statement in Docket No. 02-0682, a copy of which is also hereby served upon the service list.

A handwritten signature in dark ink, appearing to read "Phil Hardas", is written over a horizontal line.

Phil Hardas, Financial Analyst
Finance Department

VERIFICATION

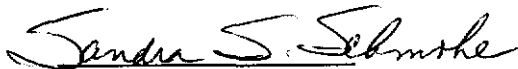
I, Phil Hardas, first being duly sworn upon oath, depose and say that I am Financial Analyst of the Finance Department for the Staff of the Illinois Commerce Commission, that I have read the above and foregoing Response to MidAmerican Energy Company's Informational Statement in Docket No. 02-0682 by me subscribed and know the contents thereof; that said contents are true in substance and in fact, except as to those matters stated upon information and belief, and as to those, I believe same to be true.



Phil Hardas, Financial Analyst
Finance Department

Subscribed and sworn to before me

this 31st day of October, 2002.



Notary Public, Illinois

